

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of San Diego Gas & Electric Company (U 902 M) for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2016.

Application No. 14-11-003
(Filed November 14, 2014)

Application of Southern California Gas Company (U 904 G) for Authority to Update its Gas Revenue Requirement and Base Rates Effective on January 1, 2016.

Application No. 14-11-004
(Filed November 14, 2014)

**JOINT PREHEARING CONFERENCE STATEMENT OF
THE UTILITY REFORM NETWORK AND
UTILITY CONSUMERS' ACTION NETWORK**

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January 6, 2015

JOINT PREHEARING CONFERENCE STATEMENT OF TURN AND UCAN

Pursuant to Rule 7.2(a) of the Commission's Rules of Practice and Procedure and the Administrative Law Judge's Ruling of December 26, 2014, The Utility Reform Network (TURN) and Utility Consumers' Action Network (UCAN) submit this joint prehearing conference statement in preparation for the prehearing conference (PHC) scheduled for January 8, 2015.

The primary purpose of this joint PHC statement is to present a proposed procedural schedule for the test year 2016 general rate case applications submitted by San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas).¹ TURN and UCAN also briefly address the pending TURN motion seeking establishment of a memorandum account associated with income tax expenses and repair deductions, and input on potential venues for public participation hearings.

I. Procedural Schedule

TURN and UCAN propose the following procedural schedule:

ORA Testimony	May 15 (Friday)
Intervenor Testimony	June 4 (Thursday)
Rebuttal Testimony	July 2 (Thursday)
Evidentiary Hearings	July 20 through August 7
Opening Brief	September 4 (Friday)
Reply Brief	September 25 (Friday)

¹ TURN and UCAN refer to the applicants jointly as the "Sempra utilities."

Not surprisingly, this proposed schedule started with the due date for intervenor testimony.

TURN and UCAN relied largely on the procedural schedule originally adopted for the SCE 2015 test year GRC (A.13-11-003).² The original due date for intervenor testimony in that proceeding was June 4, 2014.³

TURN and UCAN submit that it is of critical importance to provide a reasonable amount of time for intervenors to review the Sempra utilities' showing and prepare their testimony, and that there is no reason to believe that the amount of time necessary for such review will be substantially different than the time provided in the most recent SCE GRC. If anything, there is reason to believe that more time is warranted, as the review here covers two major energy utilities rather than one, with shared services issues that have made the review more challenging and time-consuming in past reviews of the Sempra utilities' GRC operations.

Furthermore, the Commission should consider the demands that have of late stretched the resources of TURN and UCAN (and, we suspect, ORA and other intervenors). For example, TURN's attorney and consultant resources have been fully deployed of late on the simultaneous (and, in some cases, still on-going) major energy proceedings of SCE's 2015 test year GRC, the PG&E Gas Transmission and Storage (GT&S) proceeding (arguably a GRC-equivalent, for a number of reasons), and the Residential Rate Design OIR, plus the lead-up to serving testimony due mid-March in Phase 2 of SCE's GRC. At present UCAN has a single attorney covering all

² A.13-11-003 Scoping Ruling of March 27, 2014. A modified schedule was later adopted when the Commission required SCE to supplement its showing with additional testimony on risk management and safety matters (A.13-11-003 ruling issued May 15, 2014).

³ In the 2012 test year GRC for SCE, the intervenor testimony due date was June 1, 2011. In the 2014 test year GRC for PG&E, the date was May 17, 2013. TURN and UCAN did not consider the 2012 test year GRC for the Sempra utilities a useful data point, because of the extraordinary delay built into the adopted procedural schedule for anomalous reasons.

proceedings in which the organization is active, and that attorney and UCAN's consultants have recently been consumed with the Residential Rate Design OIR, SDG&E's Rate Design Window application.⁴

In summary, consistent with the procedural schedules adopted in recent GRCs for major energy utilities, TURN and UCAN propose a due date of June 4 for intervenor testimony. The other periods before and after that date in the proposed schedule above are similarly consistent with the adopted procedural schedules from recent GRCs, particularly the SCE test year 2015 GRC.

II. TURN's Pending Motion for Memorandum Accounts on Income Taxes

TURN and UCAN urge the Commission to rule as soon as practicable on TURN's motion of December 18, 2014, seeking establishment of memorandum accounts to track income tax costs as of January 1, 2015. The delay in the ruling potentially hinders the Commission's opportunity to address the issues raised in that motion, should the ultimate decision on the merits determine that relief must be limited due to retroactive ratemaking concerns.⁵

In the SCE test year 2015 GRC, SDG&E recently sought and was granted permission to establish a memorandum account to track costs the utility might incur starting January 1, 2015 that, absent such a ratemaking device, would not be recoverable in rates.⁶ The SDG&E motion was filed and served December 8, 2014. Even though SDG&E did not specifically request

⁴ UCAN's consultants are also involved in the Phase 2 of SCE's GRC proceeding, although not on behalf of UCAN.

⁵ As indicated in the motion, TURN does not believe that the retroactive ratemaking argument has merit under the circumstances here, but has sought establishment of a memorandum account out of an abundance of caution.

⁶ The costs at issue are associated with marine mitigation projects for the San Onofre Nuclear Generating Station (SONGS).

expedited treatment, the assigned ALJ directed that any response be filed no later than December 19, 2014. In a ruling issued on December 22, 2014, SDG&E was authorized to establish a memorandum account, permitting the utility to file the necessary advice letter and tariff language before January 1, 2015.

In the Sempra utilities' GRC proceeding, while it is no longer possible to achieve a ruling before January 1, 2015, the Commission should issue its ruling directing establishment of the memorandum account as soon as practicable. TURN and UCAN urge issuance of a separate, earlier ruling rather than waiting to address the matter as part of the Scoping Memo when it issues.⁷

III. Public Participation Hearings

In past GRCs the Commission has permitted and even invited parties to submit suggestions as to potential sites for public participation hearings that would help the agency fulfill the intended purpose of these events. TURN and UCAN do not have specific sites to suggest at this time, but hope to offer some at the prehearing conference itself or in a post-PHC informal submission.

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⁷ TURN's counsel on the tax issue just learned earlier today that the Sempra utilities filed a response in opposition to the motion on December 26, 2014. In investigating how the response had not reached him, TURN's counsel also learned that he is not yet listed on the service list as one of TURN's representatives. TURN expects to remedy this omission at the PHC, and will be prepared to further discuss the merits of the motion at the PHC.

January 6, 2015

Respectfully submitted,

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